

Ad Hoc Facilities Maintenance Committee

***January 31, 2012
School Committee Meeting***

Background

Citizen Presentation to April 2011 ATM

- Consultant: Multiple glaring problems – lack of detailed plans, multiple bosses, no consensus on approach.
- Energy audits of Town Hall and WMS: inadequate maintenance and preventative maintenance; inadequate funds.
- Town Boards forced to choose between facilities maintenance and core mission. Result: Inadequate facilities maintenance.
- Extensive additional comments

Committee: Not role to validate above depiction – but appears accurate

April 2011 ATM Motion

- **Approved unanimously**
- Moderator appoint Ad Hoc Facilities Maintenance Committee
- Charter
 - Conduct overview – current situation
 - Evaluate best practices in other towns and commercial organizations.
 - Solicit input – all Boards & Committees responsible for maintaining Town/School buildings.
- Recommend
 - Management and operating structure
 - Staffing and reporting relationships
 - How operate
 - Timetable
 - To extent possible – Costs and savings

Committee Members

Tom Goemaat (Construction Professional) – Chairman

Scott Hansen (Construction & Finance Professional) – Secretary

Diane Campbell – School Committee Representative

Sarah Norwood (Permanent Building Committee, Former Advisory Committee)

Gilbert Dailey (Commercial Real Estate Professional)

Heather Sawitsky (former Town Moderator and Former Chair of Advisory)

Micah O'Neil (Construction Professional)

Phil Laughlin (Human Resources Vice Chair, former Advisory Committee Vice Chair)

All are Town residents

Meetings

- Approximately 25 Meetings – May 2011 – January 2012
- **Town** – Board/Committee and Management Members
 - Schools
 - Selectmen's Office
 - Board of Selectmen
 - Recreation*
 - Library
 - DPW
 - MLP
 - School Facilities Maintenance Director
 - Town Facilities Maintenance Director
 - Full Board of Public Works*
 - Full Board of Selectmen
 - Full School Committee – 01/31/2012

*Met with Facilities Maintenance Committee Representatives

Meetings

Non-Town

- Lexington Facilities Director
- Lexington Schools Superintendent*
- Needham Facilities Manager*
- Former Andover Facilities Manager
- Cushman & Wakefield Asset Services Managing Director*
- Turner Construction Co. – Facilities Management Solutions

*Met with Facilities Maintenance Committee Representatives.

Reasons for Committee Recommendations

- Dedicated budget, not available for other uses
- Professional Management – building systems are increasingly sophisticated and complex
- Economies of scale
- Preventative Maintenance Programs – to avoid significantly higher long term costs
- Focused, cost effective energy management
- Adequate resources

Recommendations

Organization

- Effective July 1, 2012
- One centralized Facilities Maintenance Department (FMD), combining current Town and Schools facilities maintenance departments
- Responsible for: Facilities maintenance, repairs, preventative maintenance, short term and long term planning – all Town and School Buildings
- DPW buildings deferred to July 1, 2013 – reduce initial complexity of consolidating existing organizations
- Exclude MLP, Water, Sewer – Enterprise Funds have separate charters and funding

FMD Reporting Relationship

- **Report to Town Executive Director** – as a fully independent and fully resourced Department
 - Elevates FMD – reports to highest Town-wide government executive
 - Executive Director – Town's advocate and champion for facilities maintenance funding and focused management
 - Makes complimentary skills readily available to the newly formed FMD (budget and long term planning systems, funding issues, Town-wide awareness)
 - Easier for new FMD Director – report to full time boss, rather than Board
 - Board of Selectmen support available when needed

FMD Reporting Relationship – Other Options Considered

Permanent Building Committee

- Expertise in relevant areas
- Committee pursued this option

Issues

- PBC workload
- Difficulty maintaining apolitical status if advocating for FMD funding
- PBC opposed

Conclusion

Not a viable option at this time

FMD Reporting Relationship – Other Options Considered

Board of Public Works

- Expertise in maintenance of streets, sidewalks, vehicles and grounds
- Committee pursued this option

Issues

- Board opposed
- Only acceptable if FMD a division of Department of Public Works, reporting to Department Director

Conclusion

- Reporting to the Department provides inadequate status, visibility and independence
- Not a viable option at this time

FMD Reporting Relationship – Other Options Considered

New, truly independent Board

- Viable option

Issues

- Difficulty identifying & recruiting new Board members with appropriate expertise and awareness of Town's unique government approach
- Uncertainty and delay of electing Board members
- Adding another Board – counter to generalized Town goal of increased consolidation and integration of Town government

Conclusion

- Only as last resort

FMD Reporting Relationship – Other Options Considered

Separate, but representative Board

- For example, Schools & Selectmen

Issues

- Inconsistent with Committee's philosophy – FMD should be truly centralized and independent
- Not all Boards easily represented
- Board representatives' charter – to advance interests of their appointing Board

Conclusion: Committee does not support

FMD Reporting Relationship – Other Options Considered

Dual reporting relationship

- To School Superintendent and Town Executive Director
- Exists successfully in other Towns

Issues

- Unsuccessful history

Conclusion

- Dual reporting relationships not viewed as good management practice by Committee
- Committee does not support

Operating Philosophy

- All Town and School building owners (School Principals, School Superintendent, Library Director, Police Chief, Fire Chief, Recreation and Health Directors) and respective Boards:

Treated as highly valued customers

- Custodians responsive to daily needs and emergencies identified by building owners (for example, school principals)
- Building owners provide input to custodian and trades people performance reviews

Legal Method of Transfer

- Town Meeting transfer authority for school building maintenance from School Committee to Town under Massachusetts General Law c.71, §68
- Only transferable back to schools with Town Meeting approval
- Alternative approach, M.G.L. c.71, §37 requires School Committee approval, and schools can rescind approval
- Recommended approach provides clarity and permanence

Status of Employees

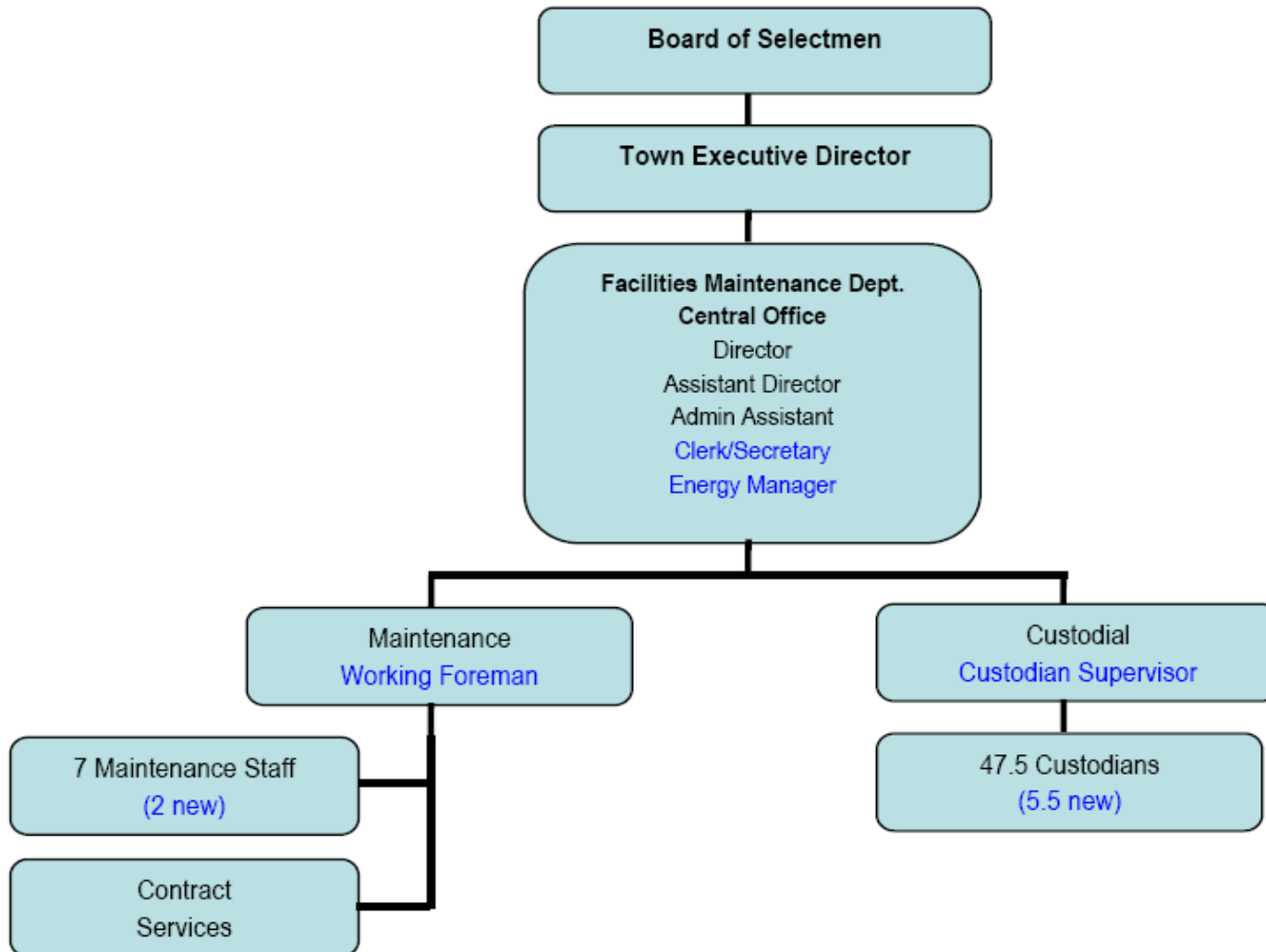
- All FMD employees would be Town employees (i.e., non-school)
- Issues of employment transfer and resolution of union contracts – to be resolved over time by FMD management, with support from Executive Director, BOS, School Committee, Human Resources Dept
- Small task force will begin assessment process now

Organization Structure of FMD

- Proposed Organizational Chart – next slide
- Most striking difference with reference towns:
lack of management resources to effectively plan, manage and implement short-term and long-term facilities maintenance programs and projects

Proposed Organizational Chart

Blue = proposed new position



Wellesley Spending v Benchmark

- **Wellesley facilities maintenance spending significantly below all benchmarks analyzed.**
- Best efforts made to compare “apples to apples,” on sq ft equivalent basis
- Benchmarks are directional only
- Each benchmark includes different elements of cost.

Benchmark	Benchmark Indicated Spending	Wellesley FY12 Comparable Spending
U.S. Dept. of Education – School Facilities Maintenance Taskforce Guidelines, 2003. Guideline is 2% of replacement cost. Excludes custodians.	\$7.5 million	\$3.0 million
Town of Lexington – FY12 Maintenance/Custodial Spending. Personnel + Expenses+ Cash Capital	\$5.4 million	\$3.7 million
Whitestone Building Maintenance and Repair Cost Reference – Boston area commercial building actual spending.	\$3.6 million	\$2.1 million

FY13 Budget

- **Separate budget, not accessible for any non-facilities maintenance purpose**
- Town plus School combined, excluding DPW and Enterprise Funds
- Fully funds new positions in FY13, but no additional operating expenses

	FY12 Budget \$ millions	Approx FY13 Budget \$ millions	Growth \$ millions
Personnel Services	2.720	3.335*	.615*
Expenses	.578	.578*	_*
Cash Capital	.448**	.750***	.300***
Utilities	1.800	1.800	-

* Combined Personnel Services/Expenses FY13 appropriation

** Excludes \$200K in School budget for building audit

*** Proposed to be funded from Facilities Maintenance Capital Fund

Facilities Maintenance Capital Fund

- Establish a Facilities Maintenance Capital Fund, similar to Stabilization Fund
- Transfer \$1.5 million into fund at March 2012 ATM and 1.0 million at each subsequent ATM
- With Town Meeting approval, transfer dollars from fund to FMD, as needed and appropriate, for cash capital uses only
- Transfers into and out of fund have no tax impact
- Town generates approximately \$1.0 to 1.5 million per year in new free cash. Current balance = approximately \$8 million.

Utility Expenses

- Utility expenses (electricity, natural gas, oil, water and sewer) – transfer to FMD budget, for buildings under management
- New Energy Manager, skilled in science and technology of energy management
- Transfer budget to department most accountable for managing utility expenses
- Timing of Energy Manager hire - and time lag to see results - uncertain.

Large Maintenance or Restorative Facilities Investments Funded by Debt

- No change
 - Brought to Town Meeting on a project-by-project basis for review and approval/rejection
 - Plus Town-wide vote for debt exclusion projects
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Computerized Maintenance Management System

- Clear best practice, based on multiple sources
- Considered essential to effective facilities maintenance
- Typical capabilities
 - Generate work order
 - Allow priorities and staff to be assigned
 - Allow building customers to view work order status (normally web based)
 - Allow feedback on jobs by customers
 - Generate work order lists for preventative maintenance
 - Collect Costs
- CMMS currently being implemented by School Department Director of Facilities Maintenance

Next Steps

- Complete final reviews with Boards and Committees, including Advisory Committee
- Executive Director finalize budget proposal
 - Restatements
 - Budget transfers
 - FMD budget refinements and details
 - Capital Fund details
 - BOS review and approval
- Committee develop motions for Town Meeting
- Executive Director appoint FMD Director as soon as possible after Town Meeting approval (internal candidate or outside search)
- FMD Director (if internal hire) commence hiring in FY12 of prioritized positions if unused Town facilities funds are available